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## Controller's Statement on Counties' Payment Delay Challenge

**SACRAMENTO** – State Controller John Chiang today issued the following statement on the counties' legal challenge to payment delays the Controller has been forced to implement without a budget from the Governor and Legislature that solves the State's cash crisis:

"I share the frustration of county supervisors throughout the State. I, too, am angry that we have been put in the situation of having to delay payments that go to critical services for our most vulnerable residents. For months, I have repeatedly warned the Governor and Legislature that without a solid budget in place, we would see a cash crisis in early 2009. That crisis has arrived, and without enough money to make it through February, I was forced to delay payments that do not have first call to funding as specified in the State Constitution, federal or case law. My office is essentially left with only \$6 to pay every \$10 worth of bills.

"Unfortunately, that meant delaying an estimated \$700 million in February to local governments which are the front-line for public services in California. By failing to act, the Governor and Legislature have passed the State's cash problem onto the counties, leaving them, aid recipients, private businesses with state contracts, and taxpayers empty-handed.

"Only the Governor and Legislature can solve the problem by delivering a solid spending plan that addresses the State's long-term budget needs and immediately puts money in the bank. As soon as the State's coffers are refilled, my office will work around the clock to ensure those funds that have been withheld get out the door quickly. I remain committed to serving and assisting California's local governments in any way possible during this difficult time."

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